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DEPARTMENT FOR WHA/CEN
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SUBJECT: PANAMA: REHABILITATING THE DICTATORSHIP

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1B. 04 PANAMA 0896
1C. 05 PANAMA 1729

Classified By: AMBASSADOR WILLIAM EATON FOR REASONS 1.4 (B) AND (D).

SUMMARY AND ANALYSIS

1. (C) A joke making the rounds in Panama is that the only ex-Panamanian Defense Force (PDF) officer who hasn't found a job in the Torrijos government is Manuel Noriega. The late-April elevation of former Dignity Battalions chief Benjamin Colamarco to the cabinet as Minister of Public Works is why the joke bites. (See Reftel A, "President Torrijos Shakes Up Cabinet.") According to one estimate, some 40 former PDF officers are working for the GOP, not counting many civilians with close ties to Noriega, some of them convicted criminals like Colamarco.

12. (C) The growing prominence of former Noriega cronies in the GOP -- and that includes national assemblyman Pedro Miguel Gonzalez, presumed killer in 1992 of U.S. service member Zak Hernandez -- is more of a threat to Panama's democratic credibility through flourishing corruption, non-transparent practices, intolerance to criticism, and stifling the media than through any potential overt attack on the state. No one (so far as we know) is plotting the dictatorship's return. And it is true that, after the 1999-2004 Moscoso government, no one can accuse former Noriegistas of cornering the market in corrupt practices or press manipulation. The 21-year dictatorship was the most corrupt era in Panama's history.

13. (C) Meanwhile, the silence in Panama that has greeted the step-by-step rehabilitation of the dictatorship -- from the so-called opposition parties or from civil society -- is deafening. Even those who stridently opposed Noriega during the 1980s, such as Roberto Eisenmann of La Prensa, are not excited. Eisenmann told the Ambassador that he perceives no "left-ward lurch," that Colamarco has paid his debt to society and has proven competence, and that Panama is a small society with limited experienced personnel.

14. (C) Martin Torrijos himself was close enough to the action during the Noriega years to be subjected to allegations of involvement in a 1985 Noriega-linked,

drug-related kidnapping, which he prevented from appearing in the press just days before the 2004 election. (See Reftel B -- "Torrijos Team Stifles Election Eve Bombshell.") Could it be a coincidence that in 2005 Torrijos appointed the kidnapper's wife, Lorena Rodriguez de Mata, as Consul General in Hamburg?

¶ 15. (C) Colamarco's elevation is one more reason to be disillusioned with the idealism and promise for reform that greeted the 2004 Torrijos election victory. Instead, the GOP more and more looks like a continuation of Noriega's government, sans Noriega. How much does that matter? The USG may be concerned that the growing ranks of Noriega supporters within the GOP, with their proven authoritarian affinities and record of disregard for press freedoms and human rights, may be less friendly toward the United States and more open to regional autocrats, like Castro and Chavez, than proven democrats. Also, it is possible that public opinion will turn against Torrijos and focus on a "no" vote in the upcoming Canal widening referendum. (See Reftel C, "Panamanian Insiders accuse Torrijos Government of Poor Planning and Public Relations, Procrastination and Bad Political Judgement." End Summary and Analysis.

Rehabilitating the Dictatorship

¶ 16. (C) With the naming of Benjamin Colamarco as Public Works minister, the ruling Democratic Revolutionary Party's (PRD) links to its past as the political vehicle for Panama's 1968-1989 military dictatorship now are in full view. Since taking office in 2004, President Torrijos has done many favors for Noriega-era PRD "dinosaurs" and has placed many of them -- including Noriega's immediate family -- in positions of power and influence in his government. Nonetheless, Torrijos has publicly stated that Manuel Noriega, who faces several 20-year sentences for numerous past offenses, will be jailed whenever he returns to Panama following his planned release from U.S. custody in November 2007.

Who is Benjamin Colamarco?

¶ 17. (C) Benjamin Colamarco, who now controls a \$235 million public works budget, was commander of Dignity Battalions (DB), which Noriega created in 1988. The DB functioned as Manuel Noriega's private army, essentially a goon squad, whose job was to intimidate and terrorize the citizenry through torture and murder. Elements of the DB fought U.S. forces during the 12-20-1989 Just Cause invasion that overthrew the Noriega regime and restored democracy to Panama. (Note: The GOP gave the Embassy no notice or warning of its planned cabinet changes. End Note.)

¶ 18. (C) Colamarco served nearly four years in prison (1990-1993) for "assaults against State personnel." Torrijos named Colamarco "coordinator of the popular masses" in 2000. During Fidel Castro's visit to Panama in 2001, Colamarco attended a university event to honor the Cuban dictator with pro-Cuba SUNTRACS labor union leaders Genaro Lopez and Saul Mendez. In the present GOP, Colamarco served as land registry chief within the Ministry of Economy and Finance (2004-2006). On the eve of President Bush's arrival in Panama in November 2005, Colamarco publicly criticized the Iraq invasion, which he called "a violation of international law," embarrassing Torrijos and VP/Foreign Minister Samuel Lewis. Colamarco also was the driving force behind a late-2005 draft law that aimed to remove property rights currently held by hundreds of foreigners -- including American citizens -- notably in Bocas del Toro. (Embassy advocacy led the GOP to amend the law's more troublesome provisions.)

¶ 19. (SBU) Colamarco's wife, Marta Amado, sister of Noriega's mistress, the notorious Vicky Amado, currently is Panama's Postal Director.

Hector and Balbina

¶ 10. (C) Perhaps the best known of Torrijos's Noriega-era

appointments are Hector Aleman, who recently resigned from his post as Minister of Government and Justice, and Housing Minister Balbina Herrera. Both currently are members of the PRD leadership. Both have "reinvented" themselves and have shown that they are willing and able to cooperate with U.S. officials. In the late 1980s, Aleman was the pro-Noriega leader of FENASEP, the public employees union. Mayor of San Miguelito and PRD firebrand in the late 1980s, later elected to the National Assembly, Balbina is famous for starting a public brawl that forced the cancellation of President Bush's sole public appearance during his 1992 visit to in Panama.

Pedro Miguel Gonzalez: Wanted For Murder

¶11. (C) The Torrijos government has given privileged access to funds and favors to Pedro Miguel Gonzalez, the presumed murderer of U.S. Army Sgt. Zak Hernandez in 1992. According to Panamenista legislator Luis Cleghorn, Pedro Miguel's requests for his community (district 8-10, Panama's largest) gets special treatment from the public works and housing ministries and from FIS, the president's social investment fund. (Comment: FIS in effect is an official presidential slush fund with a corrupt reputation. End Comment.) The GOP is careful to invite Gonzalez to virtually every GOP event. Also, according to Embassy sources, the GOP is about to ask the National Assembly's Canal affairs committee (chaired by PRD moderate Tomas Altamirano) to create a sub-committee to follow the Canal expansion project which will allegedly be chaired by Pedro Miguel Gonzalez. The action would be taken as a nod to the PRD's leftist "Tendencia" faction. It would also, one assumes, open up possibilities for graft on Canal contracts

Warning Given to Torrijos

¶12. (C) In 2001, the Embassy political section demarshaled Torrijos as Secretary General of the PRD about his perceived close ties (they had appeared together in news photos and appeared to be the best of friends) and frequent meetings with Gonzalez. The section chief reminded Torrijos that Gonzalez was a wanted man in the United States. Torrijos replied that the Embassy should not worry about him, Torrijos, as he was pro-American. But he added that the Embassy would have to understand that Pedro Miguel's father, Gerardo, was important in the PRD (he had been party president), and that Torrijos had to act out of respect to the Gonzalez-Vernaza family, which came from Veraguas, where his father, Omar was from.

Sandra and Thays Noriega

¶13. (C) In 2004 President Torrijos appointed Noriega's daughter, Sandra, as consul at the Panamanian Embassy to the Dominican Republic, where Torrijos is known to have business interests. Torrijos also appointed Sandra's younger sister, Thays, as foreign service third secretary, who failed the entrance exam (although she had the highest score of her group). When asked to comment on Sandra's and other Noriega-era appointments, former GOP Secretary of Plans, Ibrahim Asvat said, ambiguously, "They just don't perceive they are doing something that might turn off the electorate." In 2004, Asvat had characterized Sandra's appointment as the action of "a government of rookies."

A Long Cast of Characters

¶14. (C) In 2005 Torrijos pardoned Juan Barria Jimenez, murderer of U.S. citizen Raymond Dragseth and Embassy Panama FSN Fernando Brathwaite during Operation Just Cause on December 20, 1989, after serving 15 years of a 20-year sentence.

(SBU) Elias Castillo, who served one year (1990-1991) for embezzlement during his term as Noriega-era treasurer of Panama's City Hall, is currently National Assembly president, with approval from Torrijos.

(U) Jorge Ritter, Noriega's foreign minister, is a

presidential advisor and speech writer.

(SBU) Daniel Delgado, a former PDF colonel, intelligence staff officer, and close military collaborator with Omar Torrijos and Manuel Noriega, is Director of Customs, rumored to be in line for Deputy Minister of Government and Justice.

(SBU) Aristides Royo, a Panamanian president hand-picked by the military without having to bother with messy elections, now is Panama's ambassador at the OAS.

(SBU) Orville Gooding, Noriega's Finance and Economy Minister, in whose office the U.S. military found millions of dollars in cash, now is a Torrijos economic advisor.

(U) Francisco "Pancho" Rodriguez, Noriega's final hand-picked president, whom Noriega placed in office after annulling Guillermo Endara's 1989 election victory prior to Just Cause, is also a Torrijos economic advisor.

(U) Former PDF Major Severino Mejia, a former Noriega aide-de-camp, is advisor to the Minister of Government and Justice.

Comment

¶15. (C) In a sense, the Torrijos government's choice of personnel exemplifies "the PRD being the PRD." Former PRD President Ernesto Perez Balladares (1994-1999) had forced the entire Noriega crowd below decks. By appointing them to positions of power, Torrijos hopes to gain political advantage over PB within the PRD. The Embassy is watching the GOP's conduct carefully to judge whether the new appointments and changes in ideological coloration also signal a change in political direction or foreign policy.

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